Value for Money Statement

2024-2025

Lincolnshire Housing Partnership

Value for Money (VfM)

Introduction

The Board leads our approach to achieving Value for Money (VfM), through setting the Corporate Strategy and approving the business plan and annual budget.

The financial planning process ensures that LHP achieves a strong balance between delivering customer satisfaction, maintaining quality homes, creating a supply of new housing, whilst ensuring the financial health of the organisation.

Our strategic approach recognises that VfM is not about cutting costs; it is about making sure that we have optimised the relationships between costs, processes and outcomes otherwise known as the Economy, Efficiency and Effectiveness of everything we do. We see this as forming a key part of the Strong Foundations in our Corporate Strategy.

Economy	Efficiency	Effectiveness
Economy is achieved by managing our costs and what we pay for goods and services.	Efficiency is achieved when we make the best use of our resources and is improved through reviewing and improving the way we do things.	Effectiveness is achieved when we meet our quality standards and customers' expectations.
Delivered through	**Delivered through**	**Delivered through**
• Business Plan • Treasury management • Annual budget setting • Management of financial performance • Procurement strategy.	• Corporate Strategy 2022-27 • The LHP Way • Making the most of the functionality of our core IT systems • Developing the capability of colleagues.	• Management of operational performance • KPIs set and reported against • Contract management • Benchmarking of costs and performance.

The Board maintains direct oversight and control of progress made in delivering our value for money commitments via:

- Annual consideration of VfM approach and objectives in advance of setting the Corporate Annual Plan
- Quarterly reporting against the VfM metrics
- Quarterly performance monitoring of a suite of KPIs that demonstrate delivery of our strategic priorities
- Quarterly financial monitoring of performance against our budget and business plan
- External benchmarking e.g., Housemark, Global Accounts and external publications
- Engagement with our customers to involve them and to obtain feedback on our VfM progress, including through our satisfaction survey process and our customer forums.

Value for Money (VfM)

ESG and Sustainability

Demonstrating Value for Money (VfM) to our residents is a clearly stated priority within our Corporate Plan. We have focused on obtaining funding to improve the energy efficiency of our homes, concentrating on repairs and home improvements that will benefit our residents.

During 2022-23 LHP was successful in securing £8.1m from the Government's Social Housing Decarbonisation Fund (SHDF) as part of the Wave 2 allocation through to 2025. This provided half of the planned costs to deliver 733 external wall insulation installations to our non-traditional properties and a programme providing 82 Air Source Heat Pumps. This project has not only improved the thermal efficiency of the homes but also enhanced their aesthetic appeal, contributing to customer satisfaction and wider community approval.

In 2025-26 we secured an additional £5m for future works through the follow-on Wave 3 (Warm Homes: Social Housing Fund) through to 2028.

In total, the energy efficiency upgrades have impacted over 640 of homes across our portfolio this year. Other specific improvements included cavity wall insulation, loft insulation top-ups and the installation of more energy-efficient windows and doors in several properties.

The impact of these upgrades offered customers enhanced comfort through better thermal regulation while also reducing household energy costs—a particularly important Value for Money aspect during times of rising energy prices.

Our partnerships with local councils and service providers have been essential in providing aids and adaptions to our customers with disabilities. This service is integral to providing continuous and accessible care and promoting independence to our residents.

Value for Money

Regulator of Social Housing (RSH) VfM metrics

The following table shows our VfM metrics for the current and prior year and forecasts for the coming three years. The prior year metrics are compared to our peers within the sector. We have selected the peer group for comparison based on providers who:

- Own between 10,000 and 20,000 social units
- Have a stock profile of General Needs and Housing for Older People
- Are located within East Midlands, East of England and Yorkshire & the Humber.

The peers selected on this basis are:

- Ongo Homes Limited
- Eastlight Community Homes Limited
- Cross Keys Homes Limited
- Grand Union Housing Group Limited
- bpha Limited
- East Midlands Housing Group Limited
- Beyond Housing Limited
- Yorkshire Housing Limited

The Board's Value for Money (VfM) Self-Assessment and Statement of Compliance

The Regulator of Social Housing's Value for Money Standard 2018 sets out its required outcomes and specific expectations of registered providers and their approach to Value for Money. The Board of LHP has completed a self-assessment against the VfM Standard, and gains assurance that VfM is being achieved from a variety of sources including:

- A focus in strategic discussions on the optimum use of resources in delivering our objectives.
- VfM performance as an integral part of the regular performance reporting.
- All Board reports requiring consideration and evidencing of VfM implications of decisions made.
- Production of an annual VfM statement.

Considering the evidence provided in this document, the Board of LHP is satisfied that we continue to comply with the Regulator of Social Housing's VfM Standard.

Value for Money

Regulator of Social Housing (RSH) VfM metrics

Metric	Backward Look		Current Performance		Forward Look		
	2023/24 Performance	2023/24 Peer Group	2024/25 Actual	2024/25 Budget	2025/26 Budget	2026/27 Business Plan	2027/28 Business Plan
1. Reinvestment	6.72%	10.60%	8.59%	8.64%	7.25%	5.99%	7.25%
2a. New supply delivered	0.11%	1.95%	0.34%	0.31%	0.65%	0.34%	0.43%
3. Gearing	51.23%	54.50%	50.68%	49.70%	46.38%	44.93%	43.74%
4. EBITDA MRI	74.50%	113.34%	33.68%	52.52%	75.64%	113.70%	97.95%
4. EBITDA MRI excluding SHDF	123.94%	113.34%	92.51%	117.04%	95.44%	138.33%	121.37%
5. Social Housing cost per unit	£4,533	£4,348	£5,105	£5,151	£5,020	£5,082	£5,364
5. Social Housing cost per unit excluding SHDF	£4,247	£4,348	£4,730	£4,774	£4,901	£4,935	£5,220
6a. Operating Margin (Social Housing Lettings only)	23.63%	23.63%	27.96%	28.59%	20.58%	23.03%	24.66%
6b. Operating Margin (overall)	24.55%	20.83%	27.71%	28.06%	20.04%	22.19%	23.12%
7. Return on capital employed	4.58%	2.90%	5.16%	5.40%	3.93%	4.11%	4.32%

Value for Money

Regulator of Social Housing (RSH) VfM metrics

Metric 1: Reinvestment %

This metric measures the investment in properties, both existing stock and new supply as a percentage of total value of properties held. LHP reported 8.59%, which is an increase on 2023/24 of 6.72%. This demonstrates the significant investment in our existing stock, maintaining decent homes, improving energy efficiency and our development programme.

Metric 2A: New Supply Delivered - Social housing units

This metric is the number of new housing units acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end. During the year LHP added a total of thirty-four affordable rented properties and eight social rented properties, exceeding the budgeted level of 0.31% and trebling the prior year's total of 0.11%.

Metric 3: Gearing %

This metric assesses how much of the adjusted assets are made up of the debt and the degree of dependence on the debt finance. Gearing was 50.68% for 2025, a slight decrease from 2024 (51.23%) and lower than the 2024 peer group. The forecast is for Gearing to continue decreasing over the coming years as we make more efficient use of our available funding.

Metric 4: EBITDA MRI

This is a key indicator for liquidity and investment capacity. It measures the level of surplus that LHP generates, excluding depreciation, and compares it to the interest payable. LHP is reporting EBITDA MRI of 33.68%, although when excluding the SHDF Grant, this increases to 92.51%, which is lower than the peer group (113.34%). However, the sector as a whole is seeing this measure reduce as investment increases in customers' homes, remembering that the peer group measure for is 12 months older than the LHP metric for 2024-25.

Metric 5: Headline Social Housing Cost per unit

This unit cost metric assesses the headline social housing cost per unit as defined by the Regulator for Social Housing. LHP has increased its social cost per unit to £5,105 (excluding SHDF is £4,579) from £4,533 in 2024, primarily due to the increase in capitalised component replacement spend. This is higher than the 2024 peer group of £4,348.

Metric 6A: Operating Margin – Social housing lettings only

This demonstrates the profitability of operating assets before exceptional expenses are considered. Social housing lettings margin was 27.96%, an improvement on the previous year and the peer group (both 23.63%).

Metric 6B: Operating Margin (overall)

The overall Operating Margin demonstrates the profitability of ongoing operations, excluding surpluses on fixed asset sales. The 2025 performance is 27.71%, being higher than the previous year (24.55%) and comparative peers' outcome.

Metric 7: Return on Capital Employed

The Return on Capital Employed gives an indication of how well LHP makes a financial return on the assets it owns. For 2025 the performance was 5.16%, which is better than the 2024 peer group median (2.90%) and higher than 2024 (4.58%).

Tenant Satisfaction Measures (TSMs)

The below table shows that many of our TSMs are in the upper quartile. The TSMs provide us with detailed guidance to continue improving and delivering services that meet our customers' needs. We have published our TSMs in line with regulatory requirements so customers can see how we are performing and feel better informed to assess our progress against our commitments.

Tenant Perception Measures	2023/24 (YE)	2024/25 (YE)	Annual Target
(TP01) Resident satisfaction with overall LHP Services	82.7%	79.9%	82%
(TP02) Resident satisfaction with the overall repairs & maintenance service	85.1%	81.1%	80%
(TP03) Resident satisfaction with time taken to complete repairs - Tenants	79.6%	74.4%	83.6%
(TP04) % satisfied that their home is well maintained	82.2%	77.4%	88%
(TP05) % satisfied that their home is safe to live in	85.6%	82.6%	88%
(TP06) % satisfied that LHP listens and acts on their views	73.8%	72.1%	72%
(TP07) % satisfied that LHP keeps them informed about things that matter to them	83.6%	83.0%	86%
(TP08) % agreeing that LHP treats them fairly and with respect	87.5%	86.0%	87.3%
(TP09) Resident satisfaction with LHPs approach to complaint handling	40.4%	40.8%	55.9%
(TP10) Resident satisfaction that LHP keeps communal areas clean, safe and well-maintained	67.4%	73.2%	68%
(TP11) % satisfied that LHP makes a positive contribution to their neighbourhood	73.5%	76.7%	69.1%
(TP12) Resident satisfaction with LHPs approach to handling ASB	70.4%	70.4%	60.4%

Tenant Satisfaction Measures (TSMs)

Management Measure	2023/24 (YE)	2024/25 (YE)
BS01 Gas safety checks	99.5%	99.2%
BS02 Fire safety checks	100%	100%
BS03 Asbestos safety checks	100%	100%
BS04 Water safety checks	100%	100%
BS05 Lift safety checks	100%	100%
CH01a Complaints relative to the size of the landlord (Stage 1)	28.2 / 1,000 properties	31.2 / 1,000 properties
CH01b Complaints relative to the size of the landlord (Stage 2)	0.9 / 1,000 properties	2.4 / 1,000 properties
CH02a Complaints responded to within Complaint Handling Code timescales (Stage 1)	92.5%	64.4%
CH02b Complaints responded to within Complaint Handling Code timescales (Stage 2)	100%	75.0%
NM01a Anti-social behaviour cases relative to the size of the landlord (all cases)	23.9 / 1,000 properties	19.3 / 1,000 properties
NM01b Anti-social behaviour cases relative to the size of the landlord (hate cases)	0.3 / 1,000 properties	0.1 / 1,000 properties
RP01 Homes that do not meet the Decent Homes Standard	0%	0%
RP02a Repairs completed within target timescale (non-emergency repairs)	57.5%	47.8%
RP02b Repairs completed within target timescale (emergency repairs)	97.6%	99.0%

If you would like to receive this information in **another format** such as large print, Braille or audio, please contact communications on **0345 604 1472** or email **communications@lincolnshirehp.com**

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